

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,	)	DOCKETS UE-240004 and UG-240005 ( <i>Consolidated</i> )
	)	
Complainant,	)	
	)	
v.	)	
	)	
PUGET SOUND ENERGY,	)	
	)	
Respondent.	)	
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In the Matter of the Petition of	)	DOCKET UE-230810
	)	
PUGET SOUND ENERGY	)	
	)	
Petitioner,	)	PROPOSED BUDGET FOR FUND GRANT OF THE ALLIANCE OF WESTERN ENERGY CONSUMERS
	)	
For an Accounting Order Authorizing deferred accounting treatment of purchased power agreement expenses pursuant to RCW 80.28.410	)	
	)	
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1                   Pursuant to the Washington Extended Interim Participatory Funding Agreement (“Funding Agreement”), approved by the Washington Utilities and Transportation Commission (“WUTC” or “Commission”) in Order 02 in Docket No. U-210595, the Alliance of Western Energy Consumers (“AWEC”) hereby submits its Proposed Budget for Fund Grant in the above-captioned proceeding.

2                   On February 15, 2024, Puget Sound Energy (“PSE” or the “Company”) filed its request for a general rate revision for its electric and natural gas service.<sup>1</sup> The Commission

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<sup>1</sup> PSE submitted Revised Testimony and Exhibits on March 1, 2024, March 4, 2024, and April 11, 2024.

docketed these filings as UE-240004 and UG-240005. On March 5, 2024, the Commission issued Order 01 in this proceeding, consolidating Dockets UE-240004 and UG-240005. On March 29, 2024, the Commission issued Order 03/01 consolidating Docket UE-230810 with the general rate case.

3           Dockets UE-240004/UG-240005 are Eligible Proceedings for Fund Grants under Article 1(c) of the Funding Agreement. Accordingly, a Fund Grant may be made for this proceeding under the Funding Agreement.

4           On February 26, 2024, as required by Article 6.2 of the Funding Agreement, AWEC filed its Request for Case Certification and Notice of Intent to Request a Fund Grant, which was also served on PSE and all parties of record in the proceeding. In that filing, AWEC identified the PSE Customer Representation Sub-Fund as the account from which AWEC intends to request a Fund Grant.

5           During the April 2, 2024 prehearing conference in this matter, the presiding Administrative Law Judge (“ALJ”) granted case certification status to AWEC.<sup>2</sup> AWEC is filing its request consistent with the presiding ALJ’s directive to file proposed budgets on or before Thursday, May 2, 2024.<sup>3</sup>

6           Pursuant to Article 6.3 of the Funding Agreement, AWEC files this Proposed Budget in this case for a PSE Customer Representation Sub-Fund grant in the amount of \$68,897. As discussed below, AWEC will also incur the additional expense of directly procuring an Aurora license to review PSE’s net power costs in this proceeding. If additional PSE Customer Representation Sub-Fund amounts become available, AWEC reserves the right to

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<sup>2</sup> Dockets UE-240004/UG-240005 and UE-230810 (*consolidated*), Order 04/02 at ¶ 13 (April 18, 2024).

<sup>3</sup> *See id.*

file an amended proposed budget and request an additional Fund Grant. The following information is provided in accordance with Articles 6.3 and 6.6 of the Funding Agreement.

7                    **Statement of work to be performed by AWEC for which AWEC is seeking a Fund Grant.** AWEC has retained Davison Van Cleve, P.C. to represent it in these Dockets. AWEC will attend all workshops, settlement conferences, public meetings, oral presentations and hearings. AWEC will also conduct discovery in this proceeding. In addition, AWEC will submit expert witness testimony and briefs as called for by the procedural schedule in this case.

8                    **Description of the general areas to be investigated by AWEC.** AWEC intends to investigate all economic and policy aspects of PSE’s filing. General issues include PSE’s request for approval of a proposed Two-Year Rate Plan, performance-based ratemaking, revenue requirement items such as cost of capital, capital additions, net power costs, operating expenses and revenues, as well as rate spread and rate design. AWEC will also review issues raised by other parties.

9                    **Identification of the specific Sub-Fund from which AWEC is seeking a Fund Grant and an estimate of the amount of available funds in that account, if known.** AWEC is seeking a Fund Grant from the 2024 PSE Customer Representation Sub-Fund, which currently has a balance of \$200,000 to AWEC’s understanding.

10                   **A budget showing estimated attorney fees, which may include the cost for appropriate support staff and operational support.** AWEC’s proposed budget, setting forth estimated attorney fees, support staff costs and operational support costs, appears in Exhibit A.

11                   **A budget showing estimated consultant fees and expert witness fees, which may include the cost for appropriate support staff and operational support.** AWEC’s

proposed budget, setting forth consultant fees and expert witness fees, is also included in Exhibit A.

12                   **Cooperative Efforts.** In accordance with Article 6.6 of the Funding Agreement, AWEC coordinated with the other organizations who filed Notices of Intent to Request a Fund Grant from the Customer Representation Sub-Fund – The Energy Project and NW Energy Coalition. As part of those discussions, the parties reached agreement on the amounts each organization would request in participatory funding. As such, AWEC is not aware of any objection to its proposed budget.

13                   **Additional Considerations.** Article 6.5 of the Funding Agreement sets forth several factors that the Commission may consider when making a determination on budget requests. In aid of the Commission’s decision, AWEC provides the following information:

- a. The breadth and complexity of issues in this proceeding are significant. General rate case proceedings implicate all aspects of a utility’s revenue requirement, including expenses, revenues, capital additions, cost of capital and rate spread/rate design. Evaluation of this rate case will require substantial effort and expense by AWEC to ensure just and reasonable rates for industrial customers.
- b. The procedural schedule in this case assumes a fully litigated case, which requires discovery, pre-filed written testimony, workshops and settlement conferences, as well as a hearing, briefing and any other events the Commission may deem appropriate. As such, AWEC’s participation will be extensive.
- c. For Rate Year 1, the Company proposes an electric rate increase of 6.74% for electric customers and 18.96% for gas customers, and second-year overall rate

increases of 8.48% for electric customers and 2.07% for gas customers.<sup>4</sup> These represent significant rate increases for PSE’s industrial and large non-residential customers. Any change to PSE’s costs could substantially impact the rates PSE charges to its customers, including AWEC’s members, and therefore warrants considerable scrutiny.

- d. The Commission has previously recognized AWEC as an “incumbent” organization with a history of representing industrial customers’ interests before the Commission,<sup>5</sup> and determined that “no other party adequately represents the interests of industrial customers.”<sup>6</sup>
- e. As shown in Exhibit A to this Proposed Budget, AWEC anticipates that its costs will significantly exceed its budget request in this case, assuming a fully litigated proceeding. To the extent that AWEC’s costs are greater than Customer Representation Sub-Fund Grant amounts, AWEC will bear the costs of its participation. AWEC notes that, as shown in Exhibit A, its proposed budget in this case is much less than the anticipated costs associated with its participation in a fully litigated proceeding.

As noted above, AWEC will also obtain its own intervenor license for Aurora access, which is necessary to review PSE’s net power costs in this proceeding. The cost to obtain an intervenor license for the limited purposes of this case is \$5,000. The need for AWEC to obtain its own intervenor license for

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<sup>4</sup> PSE GRC Initial filing, Addendum E (Feb. 15, 2024).

<sup>5</sup> *E.g.*, Dockets UE-220066 and UG-220067, Order 08 at ¶ 24 (Mar. 24, 2022).

<sup>6</sup> *Id.* at ¶ 25.

Aurora access was raised in Avista’s general rate case proceeding,<sup>7</sup> which prompted AWEC to engage in similar informal discussions with PSE on procurement and payment for an Aurora license in this proceeding. PSE has indicated its support for AWEC obtaining the license at its own expense and using the participatory funding process to recover the costs associated with the license. On a non-precedential basis, and after discussions with The Energy Project, NW Energy Coalition, and Commission Staff,<sup>8</sup> AWEC agreed to this approach given the support of these parties as well as PSE. AWEC is in the process of obtaining an intervenor license from Energy Exemplar to ensure timely access to review PSE’s net power costs. However, it is not clear that direct procurement by AWEC will be necessary in future proceedings, and as a matter of policy, AWEC does not believe that intervenors should be responsible for bearing the cost of licenses necessary to review material components of a utility’s rate filings. That is effectively what will occur here if AWEC’s allocation of participatory funding is reduced by the cost of an Aurora license, as it will divert resources that AWEC would otherwise use to review PSE’s filing and participate in the case. Accordingly, AWEC reserves the right to request an increase to the amount of the PSE Customer Representation Sub-Fund to cover the cost of the Aurora license. In the interest of judicial economy, AWEC intends to file a single joint request to

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<sup>7</sup> Dockets UE-240006/UG-240007 (*Consolidated*) – AWEC’s Proposed Budget for Fund Grant at ¶ 13.f. (Mar. 21, 2024).

<sup>8</sup> AWEC also reached out to Public Counsel regarding this issue and did not receive a response as of the time of this filing.

increase both the PSE and Avista Customer Representation Sub-Funds to cover the cost of these licenses.

- f. AWEC represents the interests of large energy consumers and has significant experience participating in Commission proceedings involving the Commission and PSE. In addition, AWEC has participated in numerous previous cases related to setting rates for PSE. Thus, AWEC possesses significant interest and expertise with respect to this proceeding. AWEC's participation will benefit all PSE industrial and large non-residential customers.
- g. The level of available funds in the PSE's Customer Representation Sub-Fund for 2024 is \$200,000. As such, AWEC's request is within the limits of available funding.
- h. Given the limited nature of the PSE Customer Representation Sub-Fund, the number of other parties eligible to seek a Fund Grant in this case, and the significance of both the number and substance of issues raised in this proceeding, AWEC anticipates utilizing available PSE grant funds in this proceeding and does not anticipate seeking additional Fund Grants from the Annual Fund Amount of the PSE Customer Representation Sub-Fund for other dockets in 2024, assuming a fully litigated proceeding.<sup>9</sup>

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<sup>9</sup> As noted above, AWEC does intend to seek a limited increase to the PSE Customer Representation Sub-Fund in this proceeding to cover the cost of its Aurora intervenor license.

Therefore, AWEC respectfully requests that the Commission issue an order granting a Fund Grant in the amount specified above.

Dated this 2nd day of May, 2024.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

*/s/ Sommer J. Moser*

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UE-240004/UG-240005

Exhibit A

AWEC Proposed Budget for Fund Grant

Personnel	Hours	Rate	Cost
<i>Attorney Fees</i>			
Partner	246	\$325	\$79,950
Junior Attorney	160	\$275	\$44,000
Paralegal / Law Clerk	135	\$200	\$27,000
<i>Expert Witness Fees</i>			
Expert	200	\$244	\$48,800
Expert	200	\$250	\$50,000
<i>Other Expenses</i>			
Travel			\$100
Printing and Postage			\$150
Subtotal			\$250,000
<b>Total AWEC Request for PSE Customer Representation Sub-Fund Grant</b>			<b>\$68,897</b>